



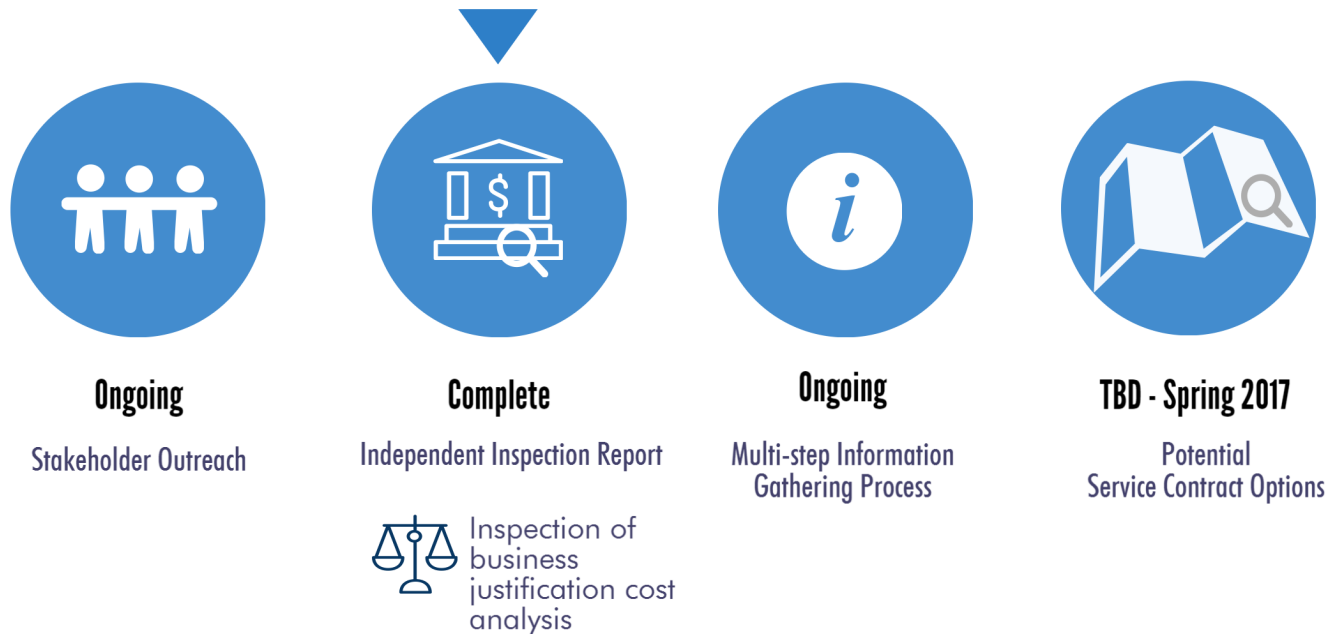
# FACILITIES MANAGEMENT UPDATE

The Need: Provide increased service at lowest possible cost to Tennessee taxpayers

The State of Tennessee released a business justification report last February projecting a potential taxpayer savings of \$35.8 million annually through a professional facilities service provider. Following the report's publishing, the state engaged an independent third party to inspect the data and procedures used in that analysis. Today, the state is releasing the third party report, and upon review of the results, the overall savings potential continues to be more than \$35 million annually. Due to the significance of this opportunity, the state, UT and TBR leadership agreed to continue with the process to gather pricing information from potential providers through a Request for Proposals (RFP) in early December.

## WHERE ARE WE?

Summary of Information Gathering Activities



## INSPECTION REPORT



Data/Procedures



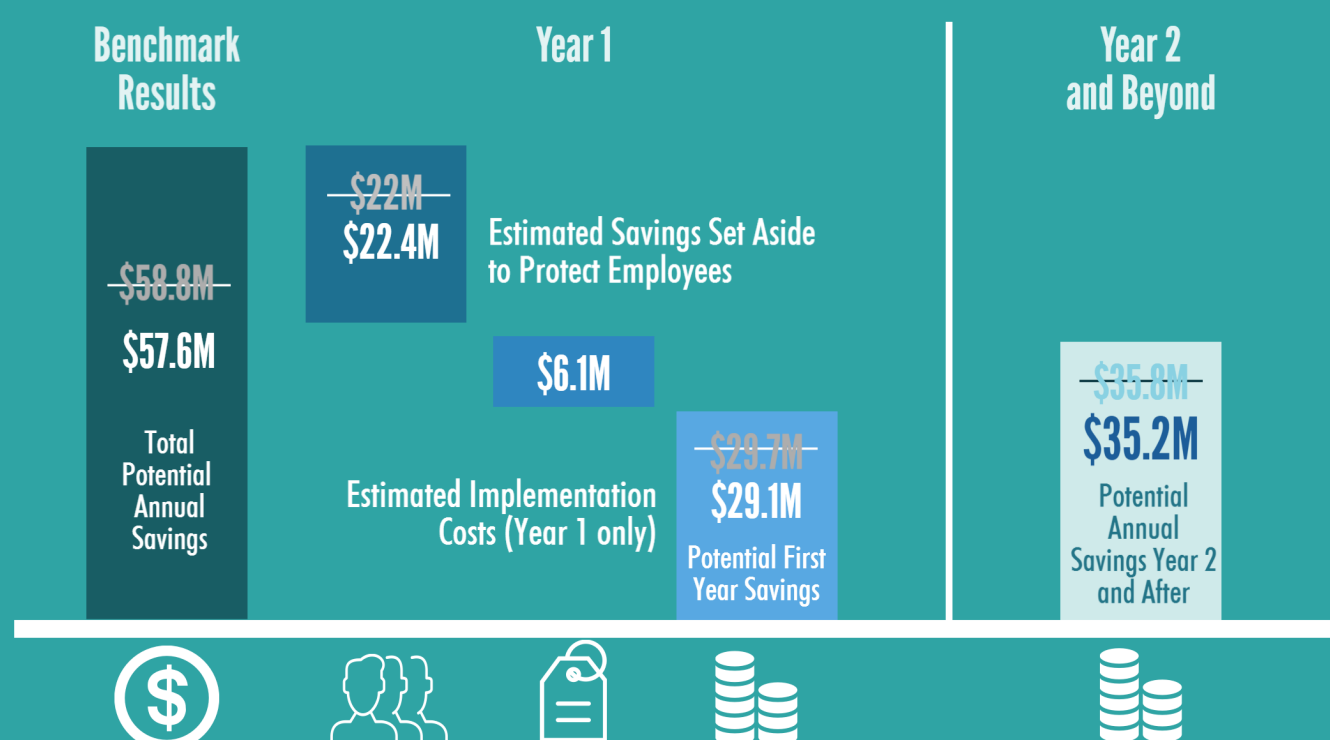
Report of Findings

- KraftCPAs PLLC inspected data used in cost savings analysis
- Representative sample of higher education institutions selected
- Upon review, state, UT, TBR accepted the report

- + No material adjustments to business justification report results following completion of inspection
- + Overall, savings potential of more than \$35 million continues
- + All stakeholders agreed to continue with process due to significance of savings potential

## ADJUSTED POTENTIAL ANNUAL SAVINGS

Net adjustment to overall projected savings of the business justification report based on results of independent inspection report



Based on the results of the Independent Inspection Report, the Year 2 and Beyond potential annual savings is \$35.2 million instead of \$35.8 million

Inspection Report and other supporting resources now available on Facilities Management webpage under the "Inspection Report" section

